PACHULSKI STANG ZIEHL & JONES LLP Jeffrey N. Pomerantz (CA Bar No. 143717) Robert J. Feinstein (NY Bar No. 1767805) John A. Morris (NY Bar No. 266326) Gregory V. Demo (NY Bar No. 5371992) Hayley R. Winograd (NY Bar No. 5612569) 10100 Santa Monica Blvd., 13th Floor Los Angeles, CA 90067 Telephone: (310) 277-6910 Facsimile: (310) 201-0760

-and-

VS.

HAYWARD PLLC

Melissa S. Hayward (TX Bar No. 24044908) MHayward@HaywardFirm.com Zachery Z. Annable (TX Bar No. 24053075) ZAnnable@HaywardFirm.com 10501 N. Central Expy, Ste. 106 Dallas, TX 75231

Telephone: (972) 755-7100 Facsimile: (972) 755-7110

Counsel for Highland Capital Management, L.P.

# IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS **DALLAS DIVISION**

CHARITABLE DAF FUND, L.P., AND CLO HOLDCO LTD. Plaintiff.

HIGHLAND CAPITAL MANAGEMENT, L.P., HIGHLAND HCF ADVISOR, LTD., AND HIGHLAND CLO FUNDING, LTD.

Defendants.

Case No. 3:21-cv-00842-B

# DEFENDANT HIGHLAND CAPITAL MANAGEMENT, L.P.'S MOTION TO TAKE JUDICIAL NOTICE OF ORDER

Highland Capital Management, L.P., a defendant in the above-captioned case (the "Debtor" or "Highland"), submits this motion (the "Motion") for the Court to take judicial notice of the Bankruptcy Court's Memorandum Opinion and Order Holding Certain Parties and Their Attorneys in Civil Contempt of Court for Violation of Bankruptcy Court Orders [Bankr. Docket No. 2660]<sup>1</sup> (the "Contempt Order"), attached hereto as **Exhibit A**. In support of its Motion, the Debtor respectfully states as follows:

### I. BACKGROUND

- 1. Highland is the debtor and debtor-in-possession in the Bankruptcy Case currently pending in the Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court"). The Bankruptcy Case has been pending since October 16, 2019.
- 2. On April 12, 2021, The Charitable DAF Fund, L.P. (the "<u>DAF</u>") and CLO Holdco, Ltd. ("<u>CLOH</u>" and together with the DAF, "<u>Plaintiffs</u>") filed the *Original Complaint* [Docket No. 1] (the "<u>Complaint</u>") in this Court.
- 3. On April 19, 2021, Plaintiffs filed their *Motion for Leave to File First Amended Complaint in the District Court* in this Court, seeking leave to add Mr. James P. Seery, Jr., the Debtor's independent, Bankruptcy Court-appointed CEO and CRO, as a defendant [Docket No. 6] (the "Seery Motion"). In response, on April 23, 2021, the Debtor filed its *Motion for an Order Requiring the Violators to Show Cause Why They Should Not Be Held in Civil Contempt for Violating Two Court Orders* [Bankr. Docket No. 2247] (the "Contempt Motion") in the Bankruptcy Court, seeking to hold Plaintiffs in civil contempt of the Bankruptcy Court.
- 4. On April 29, 2021, the Bankruptcy Court ordered Plaintiffs, among others, to appear at an in person hearing on June 8, 2021, to show cause why they should not be held in contempt [Bankr. Docket No. 2255] (the "Show Cause Order"). A Hearing on the Contempt Motion was held on June 8, 2021 [Bankr. Docket No. 2430].

<sup>&</sup>lt;sup>1</sup> Refers to the docket maintained in Case No. 19-34054-sgj11 (the "Bankruptcy Case").

- 5. On May 19, 2021, Highland filed its *Motion for an Order to Enforce the Order of Reference* [Docket No. 22] (the "Motion to Enforce"). In its Motion to Enforce, Highland set forth the factual background and procedural posture of related proceedings in the Bankruptcy Case, noting that, at that time, the Contempt Motion was pending before the Bankruptcy Court. *See* Motion to Enforce ¶ 30. The Motion to Enforce is pending before the Court.
- 6. On May 27, 2021, Highland filed its *Motion to Dismiss Complaint* [Docket No. 26] (the "Motion to Dismiss"). The Motion to Dismiss is pending before the Court.
  - 7. On August 4, 2021, the Bankruptcy Court issued its Contempt Order.

## II. <u>AUTHORITY</u>

8. "A court may take judicial notice of a fact that is 'not subject to reasonable dispute in that it is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned." *CleanCOALition v. TXU Power*, 536 F.3d 469, 471 n.2 (5th Cir. 2008) (quoting FED. R. EVID. 201(b)).

#### III. RELIEF REQUESTED

9. Highland requests that the Court take judicial notice of the Contempt Order issued by the Bankruptcy Court, not for the factual or legal basis of such Order, but rather for its existence and to update the Court regarding the procedural posture of the related Bankruptcy proceedings, as discussed in its Motion to Enforce.

#### IV. CONCLUSION

WHEREFORE, Highland respectfully requests that the Court take judicial notice of the Bankruptcy Court's Contempt Order.

Dated: August 11, 2021

PACHULSKI STANG ZIEHL & JONES LLP Jeffrey N. Pomerantz (CA Bar No. 143717) Robert J. Feinstein (NY Bar No. 1767805) Ira D. Kharasch (CA Bar No. 109084) John A. Morris (NY Bar No. 266326) Gregory V. Demo (NY Bar No. 5371992) Hayley R. Winograd (NY Bar No. 5612569) 10100 Santa Monica Blvd., 13th Floor

Los Angeles, CA 90067
Telephone: (310) 277-6910
Facsimile: (310) 201-0760
Email: jpomerantz@pszjlaw.com
 rfeinstein@pszjlaw.com
 ikharasch@pszjlaw.com
 jmorris@pszjlaw.com
 gdemo@pszjlaw.com
 hwinograd@pszjlaw.com

-and-

#### HAYWARD PLLC

/s/ Zachery Z. Annable

Melissa S. Hayward
Texas Bar No. 24044908
MHayward@HaywardFirm.com
Zachery Z. Annable
Texas Bar No. 24053075
ZAnnable@HaywardFirm.com
10501 N. Central Expy, Ste. 106
Dallas, Texas 75231

Tel: (972) 755-7100 Fax: (972) 755-7110

Counsel for Highland Capital Management, L.P.

## **CERTIFICATE OF CONFERENCE**

The undersigned hereby certifies that, on August 10, 2021, counsel for the Debtor corresponded with opposing counsel for Plaintiffs regarding whether Plaintiffs were opposed or unopposed to the relief requested in the foregoing Motion. As of the filing of this Motion, counsel for Plaintiffs had not responded to the Debtor's inquiry.

/s/ Zachery Z. Annable
Zachery Z. Annable